SERFF Tracking #: MDPC-129027654 State Tracking #: MDPC-129027654

Company Tracking #: 13-CRNAEMP-01

State: Illinois Filing Company: The Medical Protective Company

TOI/Sub-TOI: 11.0 Medical Malpractice - Claims Made/Occurrence/11.0010 Nurse - Anesthetists

**Product Name:** Certified Registered Nurse Anesthetists **Project Name/Number:** 13 EMP Rule Filing/13-CRNAEMP-01

# Filing at a Glance

Company: The Medical Protective Company

Product Name: Certified Registered Nurse Anesthetists

State: Illinois

TOI: 11.0 Medical Malpractice - Claims Made/Occurrence

Sub-TOI: 11.0010 Nurse - Anesthetists

Filing Type: Rate/Rule
Date Submitted: 05/16/2013

SERFF Tr Num: MDPC-129027654

SERFF Status: Closed-Filed

State Tr Num: MDPC-129027654

State Status:

Co Tr Num: 13-CRNAEMP-01

Effective Date 06/01/2013

Requested (New):

Effective Date 06/01/2013

Requested (Renewal):

Author(s): Melissa Millican, Christopher Cole, Kendra Clark

Reviewer(s): Gayle Neuman (primary)

Disposition Date: 05/23/2013

Disposition Status: Filed

Effective Date (New): 06/01/2013 Effective Date (Renewal): 06/01/2013

State Filing Description:

State: Illinois Filing Company: The Medical Protective Company

TOI/Sub-TOI: 11.0 Medical Malpractice - Claims Made/Occurrence/11.0010 Nurse - Anesthetists

**Product Name:** Certified Registered Nurse Anesthetists **Project Name/Number:** 13 EMP Rule Filing/13-CRNAEMP-01

## **General Information**

Project Name: 13 EMP Rule Filing Status of Filing in Domicile: Pending

Project Number: 13-CRNAEMP-01 Domicile Status Comments: Reference Organization: N/A Reference Title: N/A Advisory Org. Circular: N/A

Filing Status Changed: 05/23/2013

State Status Changed: Deemer Date:

Created By: Christopher Cole Submitted By: Christopher Cole

Corresponding Filing Tracking Number:

## Filing Description:

The Medical Protective Company (MedPro) submits for your review the attached rate/rule filing applicable to our Certified Registered Nurse Anesthetists program. This is a new, optional rule that is being added to the program. There is no rate impact to current policyholders.

# **Company and Contact**

## **Filing Contact Information**

Melissa Millican, Paralegal melissa.millican@medpro.com

5814 Reed Road 260-486-0838 [Phone] Fort Wayne, IN 46835 260-486-0733 [FAX]

**Filing Company Information** 

The Medical Protective Company CoCode: 11843 State of Domicile: Indiana

5814 Reed Road Group Code: Company Type:
Fort Wayne, IN 46835 Group Name: State ID Number:

(260) 486-0838 ext. [Phone] FEIN Number: 35-0506406

# **Filing Fees**

Fee Required? No Retaliatory? No

Fee Explanation:

# **State Specific**

State: Illinois Filing Company: The Medical Protective Company

TOI/Sub-TOI: 11.0 Medical Malpractice - Claims Made/Occurrence/11.0010 Nurse - Anesthetists

**Product Name:** Certified Registered Nurse Anesthetists **Project Name/Number:** 13 EMP Rule Filing/13-CRNAEMP-01

Refer to our checklists prior to submitting filing (http://www.idfpr.com/DOI/Prop\_Cas\_IS3\_Checklists/IS3\_Checklists.htm).: acknowledged

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: acknowledged

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABLITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc.:

http://insurance.illinois.gov/Prop\_Cas\_IS3\_Checklists/IS3\_Checklists.asp .: acknowledged

Medical Malpractice rates/rules may now be submitted using SERFF effective January 1, 2012.: acknowledged The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": acknowledged

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: n/a - rate/rule filing only

State: Illinois Filing Company: The Medical Protective Company

11.0 Medical Malpractice - Claims Made/Occurrence/11.0010 Nurse - Anesthetists

Product Name:Certified Registered Nurse AnesthetistsProject Name/Number:13 EMP Rule Filing/13-CRNAEMP-01

# **Correspondence Summary**

**Dispositions** 

TOI/Sub-TOI:

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	05/23/2013	05/23/2013

State: Illinois Filing Company: The Medical Protective Company

11.0 Medical Malpractice - Claims Made/Occurrence/11.0010 Nurse - Anesthetists

Product Name:Certified Registered Nurse AnesthetistsProject Name/Number:13 EMP Rule Filing/13-CRNAEMP-01

**Disposition** 

TOI/Sub-TOI:

Disposition Date: 05/23/2013 Effective Date (New): 06/01/2013 Effective Date (Renewal): 06/01/2013

Status: Filed

Comment:

	Overall %	Overall %	Written Premium	# of Policy	Written	Maximum %	Minimum %
Company	Indicated	Rate	Change for	<b>Holders Affected</b>	Premium for	Change	Change
Name:	Change:	Impact:	this Program:	for this Program:	this Program:	(where req'd):	(where req'd):
The Medical Protective	0.000%	0.000%	\$0	37	\$334,197	0.000%	0.000%
Company							

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Certification		Yes
Supporting Document	Request to Maintain Data as Trade Secret Information		Yes
Supporting Document	Manual		Yes
Rate	OCC Employed CRNA Rating Rule		Yes

State: Illinois Filing Company: The Medical Protective Company

TOI/Sub-TOI: 11.0 Medical Malpractice - Claims Made/Occurrence/11.0010 Nurse - Anesthetists

Product Name:Certified Registered Nurse AnesthetistsProject Name/Number:13 EMP Rule Filing/13-CRNAEMP-01

# **Rate Information**

Rate data applies to filing.

Filing Method: file and use

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: 0.000%

Effective Date of Last Rate Revision: 06/01/2010

Filing Method of Last Filing: file and use

# **Company Rate Information**

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Medical Protective Company	0.000%	0.000%	\$0	37	\$334,197	0.000%	0.000%

State: Illinois Filing Company: The Medical Protective Company

TOI/Sub-TOI: 11.0 Medical Malpractice - Claims Made/Occurrence/11.0010 Nurse - Anesthetists

Product Name:Certified Registered Nurse AnesthetistsProject Name/Number:13 EMP Rule Filing/13-CRNAEMP-01

# Rate/Rule Schedule

Item	Schedule Item				Previous State	
No.	Status	Exhibit Name	Rule # or Page #	Rate Action	Filing Number	Attachments
1		OCC Employed CRNA Rating	EMP-CW; 07/01/13	New		EMP-CW-OCC.pdf
		Rule				

# The

# Medical Protective Company

Fort Wayne, Indiana 46835

Professional Protection Exclusively Since 1899

## **ILLINOIS**

# **HEALTHCARE PROFESSIONALS**

## CERTIFIED REGISTERED NURSE ANESTHETIST

## OCCURRENCE PROGRAM

## EMPLOYED CRNA RATING RULE

HEALTHCARE PROFESSIONALS SEEKING LIMITED COVERAGE SPECIFIC TO PERFORMING PROFESSIONAL SERVICES WHILE ACTING WITHIN THE SCOPE OF THE HEALTHCARE PROFESSIONAL'S EMPLOYMENT WITH AN EMPLOYER, SHALL BE ELIGIBLE FOR A DISCOUNT OF THE HEALTHCARE PROFESSIONAL'S OTHERWISE APPLICABLE RATE.

LIMIT OF LIABILITY: \$100,000 / \$300,000

CREDIT: 67%

NO OTHER CREDITS OR DEBITS WILL APPLY WITH THIS RULE.

Edition Date: 07/01/13 EMP-CW

 SERFF Tracking #:
 MDPC-129027654
 State Tracking #:
 MDPC-129027654
 Company Tracking #:
 13-CRNAEMP-01

State: Illinois Filing Company: The Medical Protective Company

TOI/Sub-TOI: 11.0 Medical Malpractice - Claims Made/Occurrence/11.0010 Nurse - Anesthetists

Product Name:Certified Registered Nurse AnesthetistsProject Name/Number:13 EMP Rule Filing/13-CRNAEMP-01

# **Supporting Document Schedules**

Satisfied - Item:	Explanatory Memorandum
Comments:	attached
Attachment(s):	Memo.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Form RF3 - (Summary Sheet)
Comments:	n/a - this is rule filing with no rate impact
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Certification
Comments:	attached
Attachment(s):	Memo.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Request to Maintain Data as Trade Secret Information
	Request to Maintain Data as Trade Secret Information
Comments:	n/a
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Manual
Comments:	acknowledged
Attachment(s):	
Item Status:	
Status Date:	

#### THE MEDICAL PROTECTIVE COMPANY

#### ILLINOIS

#### CERTIFIED REGISTERED NURSE ANESTHETIST PRODUCT

#### EXPLANATORY MEMORANDUM

The Medical Protective Company (MedPro) submits for your review and consideration the attached rule filing for the Company's stand-alone Certified Registered Nurse Anesthetist (CRNA) Product. The product was developed in conjunction with member organizations to address the needs of practitioners in an employed setting.

## **Product Background:**

CRNA's are frequently employed in an environment where their medical malpractice insurance coverage is provided by their employer. The employment setting is often a hospital, surgical center or physician's/surgeon's office. These employers may secure medical malpractice coverage through an insurance carrier, captive, or self-insurance. The individual CRNA has very little input or control over the selection or quality of the insurance mechanism.

Some CRNA's want the peace of mind of having coverage based on their choice of carrier. They want to know that there is a carrier who has a duty to protect their interest rather than that of their employer or other employees who may produce significant revenues for the employer.

The employed rule contemplates selling a \$100,000 / \$300,000 limit when there is already coverage being provided by the employer. The pricing anticipates that the indemnity will be split in proportion to the limits of liability and defense costs are assumed to be pro rata.

# **Actuarial Support:**

#### Exhibit 1 – Calculation of the Indicated Rates

Exhibit 1 outlines the reduction in indemnity due to sharing indemnity in proportion to limits. Column (1) is the total limits indemnity capped at \$100,000 liability limit and column (4) is 6.5% of the total limits indemnity payment capped at \$100,000. Column (2) reflects the full defense costs, whereas, Column (5) reflects the anticipated cost to share defense. Unity less the ratio of the sum of these two costs produces the indicated credit. Section 1 has the savings based on the CRNA program and Section 2 has the savings calculated based on MedPro's physician experience.

## Exhibit 2 – Contribution to Indemnity in Proportion to Limits

Exhibit 2 outlines the typical distribution of CRNAs by practice setting. The assumed limit by setting is used to derive an average coverage amount provided by their employer. The ratio of the \$100,000 limit being offered under this credit is compared to the average total limits to derive the anticipated percentage of total indemnity paid. This result is used in calculating the credit in Exhibit 1.

We trust the above has clearly outlined the derivation of the proposed rates. We believe the resulting rates are neither excessive, inadequate or unfairly discriminatory.

Keith Barnes, FCAS MAAA Vice President & Actuary

#### THE MEDICAL PROTECTIVE COMPANY

#### ILLINOIS

#### CERTIFIED REGISTERED NURSE ANESTHETIST PRODUCT

#### EXPLANATORY MEMORANDUM

The Medical Protective Company (MedPro) submits for your review and consideration the attached rule filing for the Company's stand-alone Certified Registered Nurse Anesthetist (CRNA) Product. The product was developed in conjunction with member organizations to address the needs of practitioners in an employed setting.

## **Product Background:**

CRNA's are frequently employed in an environment where their medical malpractice insurance coverage is provided by their employer. The employment setting is often a hospital, surgical center or physician's/surgeon's office. These employers may secure medical malpractice coverage through an insurance carrier, captive, or self-insurance. The individual CRNA has very little input or control over the selection or quality of the insurance mechanism.

Some CRNA's want the peace of mind of having coverage based on their choice of carrier. They want to know that there is a carrier who has a duty to protect their interest rather than that of their employer or other employees who may produce significant revenues for the employer.

The employed rule contemplates selling a \$100,000 / \$300,000 limit when there is already coverage being provided by the employer. The pricing anticipates that the indemnity will be split in proportion to the limits of liability and defense costs are assumed to be pro rata.

# **Actuarial Support:**

#### Exhibit 1 – Calculation of the Indicated Rates

Exhibit 1 outlines the reduction in indemnity due to sharing indemnity in proportion to limits. Column (1) is the total limits indemnity capped at \$100,000 liability limit and column (4) is 6.5% of the total limits indemnity payment capped at \$100,000. Column (2) reflects the full defense costs, whereas, Column (5) reflects the anticipated cost to share defense. Unity less the ratio of the sum of these two costs produces the indicated credit. Section 1 has the savings based on the CRNA program and Section 2 has the savings calculated based on MedPro's physician experience.

## Exhibit 2 – Contribution to Indemnity in Proportion to Limits

Exhibit 2 outlines the typical distribution of CRNAs by practice setting. The assumed limit by setting is used to derive an average coverage amount provided by their employer. The ratio of the \$100,000 limit being offered under this credit is compared to the average total limits to derive the anticipated percentage of total indemnity paid. This result is used in calculating the credit in Exhibit 1.

We trust the above has clearly outlined the derivation of the proposed rates. We believe the resulting rates are neither excessive, inadequate or unfairly discriminatory.

Keith Barnes, FCAS MAAA Vice President & Actuary